

House Price Index



07/09/2020

House prices rebound further to reach record high, challenging affordability



£245,747

Average price

+1.6%

Monthly change

+1.3%

Quarterly change

+5.2%

Annual change

- **On a monthly basis, house prices in August were 1.6% higher than in July**
- **In the latest quarter (June to August) house prices were 1.3% higher than in the preceding three months (March to May)**
- **House prices in August were 5.2% higher than in the same month a year earlier**
- **Uncertainty remains with likely greater downward pressure on prices in the medium term**

Russell Galley, Managing Director, Halifax, said:

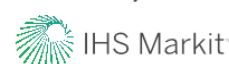
“House prices continued to beat expectations in August, with prices again rising sharply, up by 1.6% on a monthly basis. Annual growth now stands at 5.2%, its strongest level since late 2016, with the average price of a property tipping over £245,000 for the first time on record.

“A surge in market activity has driven up house prices through the post-lockdown summer period, fuelled by the release of pent-up demand, a strong desire amongst some buyers to move to bigger properties, and of course the temporary cut to stamp duty.

“Notwithstanding the various positive factors supporting the market in the short-term, it remains highly unlikely that this level of price inflation will be sustained. The macroeconomic picture in the UK should become clearer over the next few months as various Government support measures come to an end, and the true scale of the impact of the pandemic on the labour market becomes apparent.

“Rising house prices contrast with the adverse impact of the pandemic on household earnings and with most economic commentators believing that unemployment will continue to rise, we do expect greater downward pressure on house prices in the medium-term.”

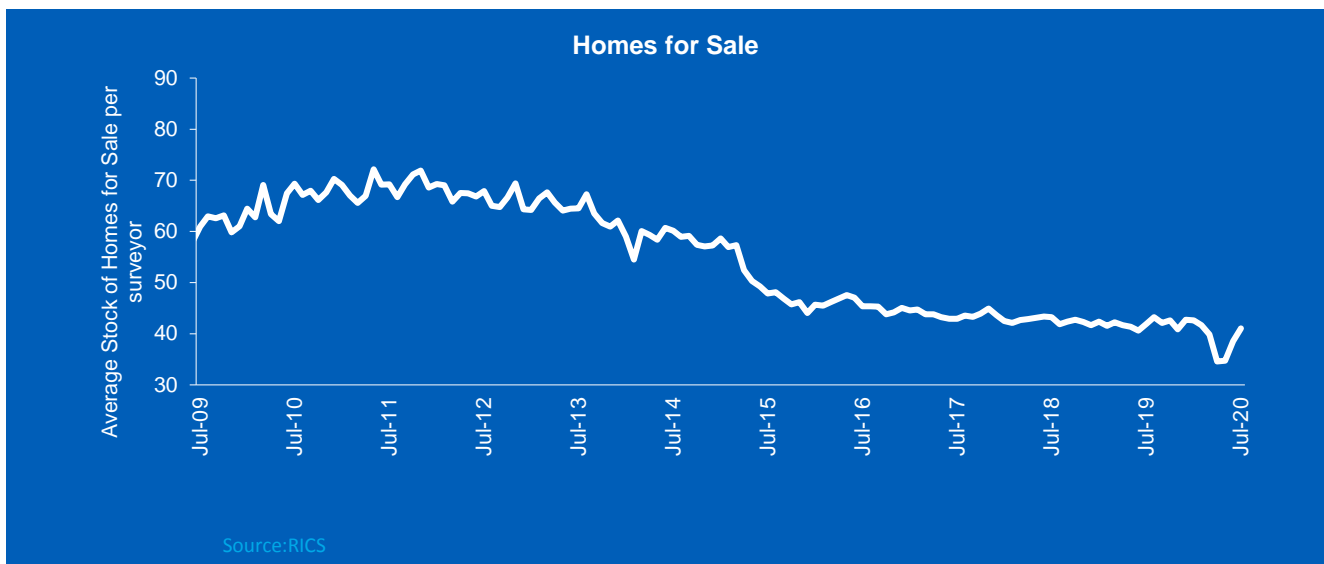
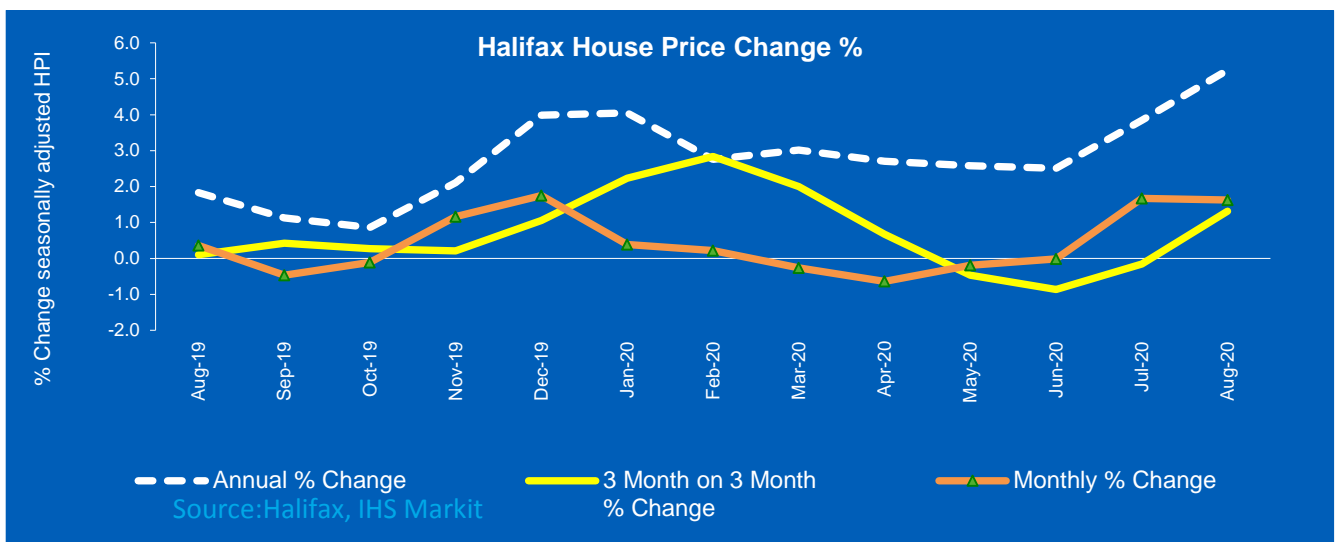
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Key facts

Housing activity

- HMRC Monthly property transactions data shows a rise in UK home sales in July.** UK seasonally adjusted residential transactions in July 2020 were 70,710 – up by 14.5% from June, as the market continues to recover from the lockdown period. The latest quarterly transactions (May-July 2020) were approximately 23.2% lower than the preceding three months (February-April 2020). (Source: HMRC, seasonally-adjusted figures)
- Mortgage approvals returned to pre lockdown levels.** Bank of England figures show that the number of mortgages approved to finance house purchases was 66,281 in July 2020 – this represents a rise of 66% from June. Year-on-year, the July figure was 1% below July 2019. Source: Bank of England, seasonally-adjusted figures)
- Results from the latest (July 2020) **RICS Residential Market Survey** point to an ongoing recovery across the market. New buyer enquiries have improved to a net balance of +75%, up from +59% last month (and -4% in May). New instructions also rose firmly to a net balance of +59% (compared with +41% in June and -20% in May). Alongside this, a net balance of +57% saw a rise in newly agreed sales (up from +43% in June and -30% in May). (Source: Royal Institution of Chartered Surveyors' (RICS) monthly report)



UK house prices

Historical data

All Houses, All Buyers (Seasonally Adjusted)

Period	¹ Index Jan 1992=100	² Standardised Average Price £	Monthly Change %	Quarterly Change %*	Annual Change %**
Aug 2019	402.7	233,541	0.4	0.1	1.8
Sep	400.8	232,454	-0.5	0.4	1.1
Oct	400.4	232,201	-0.1	0.3	0.9
Nov	405.0	234,886	1.2	0.2	2.1
Dec	412.1	238,998	1.8	1.1	4.0
Jan 2020	413.7	239,927	0.4	2.2	4.1
Feb	414.7	240,461	0.2	2.8	2.8
Mar	413.6	239,838	-0.3	2.0	3.0
Apr	410.9	238,314	-0.6	0.7	2.7
May	410.2	237,855	-0.2	-0.5	2.6
Jun	410.1	237,834	0.0	-0.9	2.5
Jul	417.0	241,808	1.7	-0.2	3.8
Aug	423.8	245,747	1.6	1.3	5.2

Editors' notes

* House price data on a quarterly basis provides the clearest indication of overall market trends, smoothing out the monthly volatility caused by the reduced number of monthly transactions used to calculate all house price indices.

** The annual change numbers are the non-seasonally adjusted year-on-year figures.

1. Index

The standardised index is seasonally adjusted using the U.S. Bureau of the Census X-11 moving-average method based on a rolling 84-month series. Each month, the seasonally adjusted figure for the same month a year ago and last month's figure are subject to revision.

2. Standardised average price

The standardised average price is calculated using the HPI's mix adjusted methodology.

For further information on the methodology follow this link to [IHS Markit's website](#)

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For historical data or for technical queries please contact economics@ihsmarkit.com

About the Halifax house price index

The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country going back to January 1983. From this data, a "standardised" house price is calculated and property price movements on a like-for-like basis (including seasonal adjustments) are analysed over time. The annual change figure is calculated by comparing the current month non-seasonally adjusted figure with the same month a year earlier.

For more information on our housing market research, visit <http://www.halifax.co.uk/house-price-index>

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